

Specification of Competency Standards of the Insurance Industry

**Unit of Competency**

**Functional Area: Legal & Compliance**

Title	Formulate company corporate governance policies
Code	105645L7
Range	This unit of competency is applicable to those who are responsible for formulating corporate governance policies. It involves integrating regulatory corporate governance requirements into governance structure, defining roles and responsibilities of board of directors, as well as establishing guidelines on specialized committees, structure of senior management, outsourcing and stakeholder relationship management.
Level	7
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Possess knowledge in establishing corporate governance policy <ul style="list-style-type: none"> <li>• Well versed with regulatory requirements in respect of the insurance industry, including all of the relevant ordinances and statutory regulations; guidance notes and circulars issued by the regulators; industry standards, guidelines and codes of practice issued by industry bodies</li> <li>• Comprehend regulatory requirements on the composition of the board of directors (e.g, number of directors, independent directors, qualifications of directors, etc)</li> <li>• Alert to government public policy on corporate governance</li> <li>• Alert to global trends on corporate governance</li> <li>• Comprehend corporate development strategies</li> </ul> </li> <li>2. Establish company corporate governance policy <ul style="list-style-type: none"> <li>• Integrate regulatory corporate governance requirements into company governance structure</li> <li>• Develop corporate governance objectives</li> <li>• Define roles and responsibilities of board of directors</li> <li>• Determine size and composition of board of directors</li> <li>• Develop guidelines on election, cessation and retirement of members in board of directors</li> <li>• Define structure of senior management (such as board of directors, chief executive, chairman, etc.)</li> <li>• Develop guidelines on conflicts of interest</li> <li>• Develop meeting requirements of board of directors (e.g. frequency, quorum requirement, format, etc)</li> <li>• Develop guidelines on setting up of specialized committees (such as audit, investment, risk management)</li> <li>• Develop guidelines on outsourcing</li> <li>• Develop guidelines on stakeholder relationship management</li> <li>• Work with business units to develop work culture that embraces corporate governance</li> </ul> </li> <li>3. Ensure company corporate governance policy comply with regulatory requirements <ul style="list-style-type: none"> <li>• Define elements of corporate governance policy, including specifications in objectives, responsibilities, structure and various operational guidelines</li> <li>• Collaborate with relevant business units to develop work culture with reference to corporate governance.</li> </ul> </li> </ol>
Assessment Criteria	<p>The integral outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Able to formulate clearly defined corporate governance policy in compliance to regulatory requirements</li> <li>• Able to develop relevant guidelines to implement corporate governance policy.</li> </ul>
Remark	This unit of competency is also applicable to general insurers, life insurers and broker.